GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:643
ANSWERED ON:28.07.2006
PACKAGE FOR NCR STATES
Saradgi Shri Iqbal Ahmed

Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether the Government has announced a performance linked incentive package for National Capital Region (NCR(States to boost infrastructure development in region;

(b) if so, the details thereof;

(c) whether Government has any proposal for reduction of interest rates on loan for projects on their conformity to the regional plan 2021;

(d) if so, the details thereof;

(e) whether Government has constituted a high powered group to identify solution to the problems of NCR and suggest modes to finance them; and

(f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI AJAY MAKEN)

(a)to(d): The National Capital Region Planning Board (NCRPB) has been providing a Performance Linked Incentive of 0.50%, in the form of reduction in interest rates on loans sanctioned for infrastructure projects, to the concerned State Governments/Implementing Agencies in the NCR.

In addition in its meeting on 24.5.2006 the Board has decided to provide the following incentives to the State Governments or its Implementing Agencies in the NCR.

CONFORMITY INCENTIVE:

(i) Interest rebate of 0.25% on the loan for ensuring that the projects implemented in the NCR are in consonance with the Regional Plan-2021 and other functional plans supplementary thereto and also the master Plans of the cities in which the projects are located, are got duly approved by the NCR Planning Board.

(ii) Incentive of 0.25% on the interest in case the District Plan of the area in which a given project is located has also been duly approved by the NCR Planning Board.

PROJECT COST ADHERENCE INCENTIVE:

An incentive of 0.25% at the completion of the projects to ensure that there is no cost over-run in the project.

QUALITY ASSURANCE INCENTIVE:

A rebate of 0.25% interest rate for promoting high quality execution of projects based on accepted norms.

(e)&(f): The NCR Planning Board has decided to constitute a High Powered group to develop common approaches and solutions to the problems of Water Resources Management, Power, Transportation and Pollution in terms of Solid Waste management and adoption of Clean Fuels in the NCR as well as modes of financing major projects.